

111TH CONGRESS  
1ST SESSION

# H. R. 2327

To preserve consumer choice and access to credit and enhance consumer disclosures.

---

## IN THE HOUSE OF REPRESENTATIVES

MAY 7, 2009

Mr. HENSARLING (for himself, Mr. BURGESS, Mr. BISHOP of Utah, Mr. KLINE of Minnesota, Mr. CONAWAY, Mr. SHADEGG, Mr. PITTS, Mr. GARRETT of New Jersey, Mr. BRADY of Texas, Mr. McKEON, Mr. GINGREY of Georgia, Mr. OLSON, Mr. GOHMERT, Mr. POE of Texas, Mr. FLEMING, Mrs. LUMMIS, Mr. MARCHANT, Mr. NEUGEBAUER, Mr. POSEY, and Ms. FOXX) introduced the following bill; which was referred to the Committee on Financial Services

---

## A BILL

To preserve consumer choice and access to credit and enhance consumer disclosures.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Protection of Con-  
5 sumer Credit and Consumer Choice Act of 2009”.

6 **SEC. 2. UNFAIR ACTS OR PRACTICES RULE REVISION.**

7 The Board of Governors of the Federal Reserve, the  
8 Office of Thrift Supervision, and the National Credit

1 Union Administration shall not take any action to imple-  
2 ment any rule relating to credit cards published in the  
3 Federal Register on January 29, 2009, or any substan-  
4 tially similar rule, on the basis of a determination by such  
5 agencies that practices relating to credit card practices  
6 constitute an unfair act or practice in or affecting com-  
7 merce.

8 **SEC. 3. IMPROVING CONSUMER DISCLOSURES.**

9 Section 127 of the Truth in Lending Act (15 U.S.C.  
10 1637) is amended by adding at the end the following new  
11 subsection:

12 “(i) ADVANCE NOTICE OF RATE INCREASES FOR  
13 CERTAIN PRACTICES.—

14 “(1) IN GENERAL.—With respect to credit card  
15 accounts under an open end consumer credit plan,  
16 the Board shall issue regulations under subsections  
17 (a), (b), and (c), as the Board may find appropriate  
18 and necessary, to require a card issuer to provide  
19 clear and conspicuous disclosures pertaining to:

20 “(A) the time provided to make timely pay-  
21 ments;

22 “(B) allocation of payments when different  
23 annual percentage rates apply to different bal-  
24 ances of such accounts;

25 “(C) increases in annual percentage rates;

1           “(D) two-cycle average daily balance meth-  
2           od of balance calculation; and

3           “(E) fees that may be assessed at the  
4           opening of such accounts.

5           “(2) ADVANCE NOTICE FOR CERTAIN  
6           CHANGES.—

7           “(A) IN GENERAL.—A change to any term  
8           described in paragraph (1), or, in the case of  
9           paragraph (1)(C), an increase of an annual per-  
10          centage rate, with respect to a credit card ac-  
11          count under an open end consumer credit plan  
12          may not take effect unless the card issuer pro-  
13          vides a written notice to the consumer no less  
14          than 75 days before such change is scheduled  
15          to take effect which fully describes the change  
16          in a clear and conspicuous manner.

17          “(B) EXCEPTION.—Any disclosure under  
18          subparagraph (A) shall not be required with re-  
19          spect to an increase in an annual percentage  
20          rate if:

21                 “(i) the increase is due to the oper-  
22                 ation of an index outside the control of the  
23                 card issuers;

24                 “(ii) the increase is due to an expira-  
25                 tion of a promotional rate; and

1 “(iii) the rate was previously disclosed  
2 pursuant to subsection (a).”.

3 **SEC. 4. EFFECTIVE DATE.**

4 (a) Section 2 of this Act is effective on the date of  
5 enactment of this Act.

6 (b) The Board shall issue the regulations under sec-  
7 tion 3 within 12 months of the date of enactment of this  
8 Act.

9 (c) The regulations issued by the Board under section  
10 3 shall be effective 12 months after they are published  
11 in final form.

○